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(Geneva, 7 to 18 October 2002)

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INTRODUCTION

(i) The forty-ninth session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 7 to 18 October 2002. In the course of the session, the Board held seven plenary meetings – the 930th to 936th meetings.

(ii) This report to the United Nations General Assembly has been prepared under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report records, as appropriate, the action by the Board on the substantive items of its agenda (section I), summaries of discussions under certain items (section II), and procedural, institutional, organizational and administrative matters (section III).

(iii) Volume II of the report of the Board on its forty-ninth session – to be issued subsequently in TD/B/49/15 (Vol. II) – will reflect all the statements made in the course of the session on the various items of the agenda.

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS ON ITS AGENDA

A. Progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010: (a) Implementation of UNCTAD-wide activities in favour of LDCs (b) The least developed country status: Effective benefits and the question of graduation

Agreed conclusions 470 (XLIX)

The Trade and Development Board,

1. *Takes note* of the information contained in the background reports submitted by the UNCTAD secretariat, as contained in documents TD/B/49/6 and TD/B/49/7, and of further information provided by the secretariat during the meeting, and *expresses its appreciation* for the efforts made so far in implementing the relevant commitments and actions of the Programme of Action for LDCs for the Decade 2001-2010;

2. *Encourages* the UNCTAD secretariat to continue its activities in support of LDCs within its mandate, and to continue to report to the Board, at its regular sessions, on UNCTAD's activities in favour of these countries, and *emphasizes* the need for UNCTAD to contribute to the mandated reviews by ECOSOC and the General Assembly of the implementation of the Programme of Action for LDCs for the decade 2001-2010, bearing in mind the ongoing reform process in the United Nations;

3. *Emphasizes* the need for closer and active inter-agency cooperation between UNCTAD and other organs and agencies of the UN system, especially with the Office of the High Representative for LDCs, LLDCs and SIDS, and including the Bretton Woods institutions and the WTO, with the objectives of creating maximum synergies, avoiding duplication of efforts, and maximizing benefits to LDCs, LLDCs and SIDS; in that regard, encouraged by the ongoing cooperation between UNCTAD and the Office of the High Representative, *emphasizes* that such cooperation should be further strengthened;

4. *Reaffirms* the importance of mainstreaming the Brussels Programme of Action into UNCTAD's programme of work and its intergovernmental processes;

5. *Underlines* the importance of mainstreaming trade into national development plans, *welcomes* the UNCTAD secretariat's continued contribution to the implementation of the Integrated Framework (IF), and *requests* it to strengthen that contribution, particularly by planning and implementing trade-related capacity building as a follow-up to the diagnostic studies;

6. *Welcomes* the role of UNCTAD in the implementation of the Global Framework for Transit Transport Cooperation between Land-locked and Transit Developing Countries and the Donor Community, and *encourages* the secretariat, within its mandate, to provide substantive and technical support to the preparations for the International Ministerial Meeting of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, to be convened in Kazakhstan in 2003;

7. *Notes with appreciation* the secretariat's research and advisory services on the economic vulnerability of a number of LDCs, and *recommends* that such activities continue;

8. *Endorses* the secretariat's efforts to pursue its research and analytical work on the benefits effectively derived from the least developed country status with a view to identifying approaches to make this status a more effective tool for socio-economic transformation and convergence with other developing countries, promoting a suitable "exit strategy" for the LDCs that are coming nearer to graduation thresholds;

9. *Stresses* the need to continue UNCTAD's technical assistance to LDCs in their efforts to identify the most effective international support measures by virtue of the LDC status, with a view to inducing structural progress in their economies;

10. *Notes with concern* the continued decline in commodity prices, which results in a substantial loss of export earnings for the majority of the least developed countries, and *requests* the secretariat, in cooperation with other relevant agencies such as the CFC and ITC, to explore ways to strengthen its activities in the fields of diversification, technical assistance and capacity building so as to bring about greater value-added in the commodity sector of LDCs;

11. *Requests* the secretariat, in the context of its analysis of the benefits effectively derived from LDC status, to pay particular attention, on an ongoing basis, to the expected impact of the most recent initiatives in favour of LDCs in the area of preferential market access, *inter alia* the "Everything But Arms" initiative, the African Growth and Opportunity Act (AGOA) and other such initiatives;

12. *Recognizes* the difficulties faced by LDCs in the process of accession to the WTO, and *requests* UNCTAD to continue to provide adequate assistance in this field, as well as to consolidate its support for other WTO-related activities in favour of the LDCs;

13. *Notes with appreciation* the results achieved, so far, and the orientation of the future activities of the Special programme on LDCs, LLDCs and SIDS, including the strengthened inter-divisional coordination within the secretariat, and the improved linkages between the policy analysis work of UNCTAD and its capacity-building activities in favour of LDCs, LLDCs and SIDS, and *urges* the secretariat to focus on areas within its mandate, in particular those where UNCTAD has expertise and a clear comparative advantage;

14. *Expresses deep appreciation* to bilateral and multilateral donors for their continued and generous financial contributions to the UNCTAD Trust Fund for LDCs;

15. *Urges* donors to respond to the need for extrabudgetary resources for the following purposes: to enable the secretariat to contribute effectively to the implementation of and follow-up to the Integrated Framework and to the preparation of the 2003 International Ministerial Meeting of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation in Kazakhstan; to undertake analysis and monitoring of the effective benefits derived from the LDC status; and to replenish the UNCTAD Trust Fund for LDCs for further technical cooperation and capacity-building activities in the least developed countries.

936th plenary meeting
18 October 2002

B. UNCTAD'S contribution to the final review and appraisal of the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Structural adjustment and poverty reduction in Africa

Agreed conclusions 471 (XLIX)

1. The session of the Trade and Development Board took place at an exciting time for the peoples of Africa. It welcomes the United Nations Declaration on the New Partnership for Africa's Development (NEPAD), a programme of the African Union, which was adopted by the fifty-seventh session of the General Assembly on 16 September 2002 (resolution 57/2), and considers it an important milestone in the history of Africa and its relations with the international community based on partnerships.

2. NEPAD constitutes a determined effort by Africans to take control of their own destiny through economic and social development based on principles of, and supported by mechanisms that aim to ensure, democracy, good governance and peaceful settlement of disputes. As such, NEPAD has elicited strong support from the international community as an important contribution to placing Africa on a sustainable growth trajectory towards achieving the internationally agreed target of reducing poverty by half by 2015.

3. Taking into account the independent review of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), the Board calls upon UNCTAD to draw valuable lessons from it in its activities in support of NEPAD.

4. The Board welcomes the renewed emphasis on poverty reduction, and is pleased that Poverty Reduction Strategy Papers (PRSPs) facilitate coherent and integrated approaches in designing development policies. The Board also recognizes that PRSPs are resource-intensive, and that their evolution is part of a learning process that should be regularly assessed on an independent basis. Accordingly, it considers the report of the UNCTAD secretariat entitled *From Adjustment to Poverty Reduction: What is New?* to be a contribution to the process of policy appraisal.

5. Recent international conferences are unanimous about the importance of partnerships, ownership and participation. The Board notes that implementing these principles remains an important challenge. In this context, it takes note of the discussions on international policies, including on streamlining conditionalities, and encourages the continuing efforts by beneficiary countries in improving national macro-economic policies.

6. Recognizing the positive impact that sound macro-economic policies and a conducive external environment have on economic growth, and in order to ensure that the benefits of growth reach all people, especially the poor, the Board stresses the importance of helping countries to effectively undertake "poverty and social impact analysis" on a more systematic basis in the implementation of PRSPs.

7. In order to boost national resources, the cornerstone of development, the Board recognizes that debt relief and official development assistance (ODA) can play a critical role, and emphasizes the role of trade as a source for development. It welcomes the Heavily Indebted Poor Countries (HIPC) Initiative and stresses the need for its speedy implementation and a durable solution to the problem of indebtedness of the poorest countries, and for an assessment, case by case, of debt sustainability beyond completion points. Debtors and creditors must share the responsibility for preventing and resolving unsustainable debt situations. Technical assistance for external debt management and debt tracking can play an important role and should be strengthened. Both the size and quality of ODA form important elements of its effectiveness. As such, the Board welcomes the Monterrey Consensus commitments to increase the quantity and effectiveness of ODA.

8. The Board recognizes the essential role of trade as an engine for economic development in Africa and in this regard calls for improved market access for African exports within the framework of the Doha Ministerial Declaration, without prejudging the outcome of the World Trade Organization (WTO) negotiations, and also within the framework of preferential agreements; and in this connection, it calls upon developed countries to assist African countries in improving their capacity, including by the removal of supply-side constraints and the promotion of diversification, which are critical for enabling them to take full advantage of such opportunities, taking into account the need to provide market access for developing countries. Furthermore, it underlines the importance for African countries to accede to the WTO and encourages UNCTAD within its mandate to assist them in this process.

9. UNCTAD should, within its mandate and areas of competence, play its role in supporting NEPAD. In this light, it should continue its cooperation with African countries and institutions and explore ways for improved cooperation with the Bretton Woods institutions in support of the poverty reduction strategies, thus building capacity and identifying appropriate divisions of labour. It should continue to provide relevant analysis and policy advice on African development.

936th plenary meeting
18 October 2002

C. Review of technical cooperation activities of UNCTAD

Decision 472 (XLIX)

The Trade and Development Board,

1. *Takes* note with appreciation of the information provided in the report on the review of technical cooperation activities of UNCTAD (TD/B/49/4, and Add 1-2), as well as the Indicative Plan of UNCTAD's technical cooperation for 2003 (TD/B/49/5);

2. *Expresses* its appreciation to bilateral and multilateral donors for their contributions to UNCTAD trust funds; and *invites* them to continue contributing to UNCTAD, so that it can respond to increasing demand for technical assistance in areas of its expertise and comparative advantage;

3. *Requests* the secretariat to ensure adequate follow-up to the recommendations of the internal review of procedures and arrangements governing UNCTAD technical cooperation, *requests* the secretariat to initiate consultations with Member States, as soon as possible, with regard to the implementation of those recommendations of the internal review which require consultations with Member States, and *decides* to review the progress in the implementation of the recommendations on a regular basis in the Working Party;

4. *Notes* with appreciation the benefits accrued to beneficiary countries from UNCTAD technical assistance activities in the areas of debt and finance, programmes related to international trade in goods, services and commodity issues, investment and enterprise development, and programmes carried out in the areas of services infrastructure and trade efficiency; and *requests* UNCTAD to continue its efforts to provide high-quality support in these areas;

5. *Encourages* the secretariat to deepen its work on WTO-related activities, and to further strengthen cooperation and coordination of its activities with other providers of trade-related technical cooperation, in particular with regard to the Integrated Framework and JITAP, with a view to responding, on the basis of its comparative advantages, to the needs emerging from WTO-related activities;

6. *Requests* UNCTAD to put in place a focused approach to its activities, and by doing so, strengthen its activities and programmes in order to meet the increasing needs of developing countries, within its mandate, in particular in areas where UNCTAD has expertise and a clear comparative advantage;

7. *Requests* the secretariat, in its annual report on the review of technical cooperation activities, to include information on the anticipated evolution of its activities, as well as a clear indication of the strategic goals and objectives for the coming year, and accordingly *decides* to discontinue the consideration of the annual indicative plan; also *requests* the secretariat to include in its annual report information on linkages between the various technical cooperation activities with a view to providing information to member States on a broad based approach that will bring together, in a coherent way, the various elements of the programmes; and in that regard, *requests* the secretariat to prepare an analytical report compiling information on the Commercial Diplomacy Programme, including results achieved;

8. *Requests* the secretariat to continue to include information in project documents on the relationship between project activities and the secretariat's research and policy analysis with a view to ensuring integration between operational and other activities;

9. *Requests* the secretariat to prepare a note, in consultation with member States, on a possible UNCTAD approach to capacity building for consideration at a future session of the Working Party;

10. *Decides* to include in the agenda of the next session of the Working Party an item on indicators of achievement, taking into consideration, *inter alia*, JIU report JIU/REP/2002/2 entitled "The results approach in the United Nations: implementing the United Nations Millennium Declaration";

11. *Emphasizes* the need to work towards achieving the international development goals and targets of the Millennium Declaration and through the implementation of the Programme of Action of the Third United Nations Conference on the Least Developed Countries, as relevant to UNCTAD's mandate.

934th plenary meeting
17 October 2002

D. Other action taken on substantive items

1. Review of technical cooperation activities of UNCTAD (agenda item 7(a))

1. At its 934th plenary meeting, on 17 October 2002, the Board took note of the report of the Chairman of the Working Party on the Medium-term Plan and the Programme Budget at its thirty-ninth session, the statement made by delegations to the Board, and the secretariat documentation. It adopted draft decision TD/B/49/L.1, and endorsed the outcome of the thirty-eighth session of the Working Party. (For the text of the decision, see part I, section C above).

2. Consideration of other relevant reports: Report on UNCTAD's assistance to the Palestinian people (agenda item 7(b))

2. At its 935th plenary meeting, on 17 October 2002, the Board took note of the secretariat's report on UNCTAD's assistance to the Palestinian people (TD/B/49/9) and of the statements made thereon and decided to submit the account of its discussion to the General Assembly in accordance with General Assembly decision 47/445. (For the account of the discussion, see part II below).

3. Progressive development of the law of international trade: thirty-fifth annual report of the United Nations Commission on International Trade Law (agenda item 8)

3. At its 935th plenary meeting, on 17 October 2002, the Board took note of the report of UNCITRAL on the work of its thirty-fifth session (A/57/17).

4. Arrangements for regular sessions of the Board (agenda item 10(a))

4. At its 935th plenary meeting, on 17 October 2002, the Board decided to maintain the status quo and continue the existing arrangement for its regular sessions, whereby it holds one regular session per year in the autumn, on the understanding that questions relating to the sessions of the Board could be taken up within the framework of UNCTAD XI.

II. SUMMARIES OF DISCUSSIONS ON SUBSTANTIVE ITEMS ON ITS AGENDA

A. High-level segment: How can the post-Doha process work best for development?[1]

(Agenda item 2)

1. The High-level Segment took the form of a presentation by a keynote speaker, Mr. Supachai Panitchpakdi, Director-General of the World Trade Organization (WTO), followed by comments and questions from delegates in New York (by video link) and in Geneva, to which the Director-General responded. The Secretary-General of UNCTAD also made observations.

Keynote address

2. The **Director-General of WTO** said that the global economy was passing through a difficult period. All sights were set on the Millennium Development Goals established for 2015, but achieving them would not be easy and would need the full cooperation of all players. The Doha Development Agenda, with its emphasis on rules, conflict resolution and open opportunities, was part of that process, and the outcome would determine the progress of the world economy. UNCTAD and WTO should engage in closer cooperation in the implementation of the Doha work programme, with a coordinated strategy to address the linkages between trade and development. This cooperative effort should be seen as part of a wider strategy aimed at involving all stakeholders (multilateral and specialized institutions) committed to fulfilling the Millennium Goals. UNCTAD's comparative advantage vis-à-vis WTO in this cooperative effort was in the areas of research and technical cooperation aimed at enhancing the understanding of trade-related development issues of interest to developing and least developed countries, where the WTO could not fill the gap in the short term. The cooperative effort would also entail cooperation with ITC, the World Bank, UNDP and UNIDO.

3. As he saw it, the post-Doha work programme comprised a three-stage process: the ongoing Doha agenda; trade-related technical assistance; integrating trade instruments into development strategies. The ongoing Doha agenda had gained momentum at the recent meeting of the WTO Trade Negotiations Committee (TNC), which had been a watershed in the post-Doha process, but there was an urgent need to move collectively to attain convergence. As delegates were aware, the work programme agreed in Doha covered a large variety of issues to be taken as part of a single undertaking, whereby nothing was agreed until all was agreed. The single undertaking required parallel progress on all areas of the agenda; if progress was slow on agriculture, it would be slow on everything else. For this reason, he did not consider it useful to delay moving in any particular area for tactical reasons. The TNC had identified the work agenda and the key issues to be resolved in the period leading up to the Fifth WTO Ministerial Conference, to be held in Cancun, Mexico, in September 2003. Cancun would be a "mid-term review" of progress on the post-Doha work programme where deadlines should converge, and it was important to make progress in order to avoid overloading the agenda for that meeting. Among the areas where many matters remained to be resolved before the end of 2002 were key developmental issues such as agriculture, the links between the TRIPS agreement and public health, special and differential treatment for developing countries and some 50 or so highly technical issues related to the implementation of the results of the Uruguay Round. Getting agreement on special and differential (S&D) treatment would not be easy, and, with one deadline missed, it was imperative to avoid further slippages; however, developing countries should not use S&D treatment as an escape clause from the need to carry out their own reform processes. Other issues such as trade, debt and finance, small economies, and technology transfer were also becoming priorities in the development agenda. However, all these issues had to be operationalized appropriately.

4. Technical assistance and capacity building had to be a central part of the post-Doha process. Technical assistance should rely on three pillars: helping developing countries formulate their trade negotiation position; after the conclusion of the negotiations, during the implementation stage, addressing key trade issues, such as trade facilitation, custom

[1] Summary prepared by the UNCTAD secretariat.

procedures, TRIPS and transfer of technology; building the necessary infrastructure to ensure that market access potential brought the expected welfare gains to developing countries. To implement these ambitious technical assistance and capacity building strategies, WTO was aware that it would need to collaborate closely with specialized agencies and development institutions such as the World Customs Organization, WIPO, ITC, UNDP, UNCTAD, the World Bank and IMF.

5. Among the longer-term issues for developing countries was how to cope with falling tariff revenues as a result of trade liberalization. In the area of supply constraints, attention must be paid to customs procedures and tax administration. The kind of cooperation that was already taking place within the Integrated Framework for Trade-related Technical Assistance to the Least-developed Countries could be a model for such future work.

Discussion

6. Comments were made and questions asked on a wide range of issues. Delegations looked forward to closer cooperation between the United Nations and the WTO, but wondered how this would be implemented. The need for technical cooperation was widely emphasized, while some delegates asked how the private sector could be involved in such work. One speaker commented that progressive liberalization seemed beneficial to development growth and addressing poverty, but it had to be genuinely progressive, within the capacity of countries. It was necessary to get the level of ambition right and support this with appropriate funding. Various speakers emphasized the need to have a coordinated approach towards the developmental goals to which the international community had committed itself in different global fora, notably the WTO Ministerial Meeting in Doha, the International Conference on Financing for Development in Monterrey, and the World Summit on Sustainable Development in Johannesburg. One speaker emphasized that, under the Doha work programme, the idea was to make S&D treatment more effective and operational, and several delegates asked how this could be made to work, e.g. in general or in relation to specific agreements? How could needs be assessed in particular cases? A number of speakers emphasized the need to address supply-side constraints. Specific questions included how the movement of natural persons was being negotiated, how to solve problems of the land-locked countries, and how to facilitate the accession of LDCs to the WTO.

7. The **Secretary-General of UNCTAD** pointed out that UNCTAD was running intensive programmes of support for the developing countries through the positive agenda, the commercial diplomacy programme and specific support for countries in accession. UNCTAD was also helping developing countries build export supply capacity, particularly in the services sector, and there had been a number of export meeting discussions in this area.

8. The **Director-General of WTO** referred to current UNCTAD/WTO cooperation in research, training and investment issues, and considered that cooperation would be intensified during implementation of the agreements reached under the Doha work programme. He was encouraged by the comment of the Secretary-General of the United Nations that trade could help reduce poverty through improved market opportunities, now being dealt with through the WTO, while production side issues, including governance, were being tackled through the UN system. Of course, technical cooperation under the Doha work programme was designed to support the negotiations, but it should not stop there, since capacity building was essential. He noted that development was central to the WTO work programme and fully supported efforts to get an agreement on S&D treatment by the end of the current year. He noted that the Working Group on Trade, Debt and Finance was helping to address linkages deriving from Doha, Monterrey and Johannesburg. There needed to be more market opening so that developing countries could earn the income required to pay off their debt burden. He noted that harmonizing trade and environment rules could be mutually beneficial to trade and the environment – a win-win situation. On specific questions, he noted that the movement of natural persons was being handled under the request-and-offer procedure of the services negotiations. On involving the private sector in technical cooperation, this was not easy, since the WTO was an intergovernmental organization, but obviously there was a role for private investment to support development; some requests had been addressed to TNCs to help support capacity-building efforts.

B. Interdependence and global economic issues from a trade and development perspective: Developing countries in world trade[2]

(Agenda item 3)

9. There was general agreement that a rule-based multilateral trading system was in the interest of all countries. However, the view was also expressed that the current system was flawed in important respects. Similarly, although there was agreement on the potential contribution of international trade to economic development, there was extensive debate on the limitations on the extent to which this promise was currently being realized, on the national and international policy measures required for such realization.

10. Much attention was focused on the discussion in the *Trade and Development Report, 2002* that the increase in the share of developing countries in manufacturing value added fell short of that in their share of manufactured exports, a phenomenon linked to their involvement in the import-dependent and labour-intensive processes of international production chains. It was also stressed that for many developing countries low commodity process continued to restrict the gains from trade. While attention was drawn to benefits from trade due to the transfer of technology, the discussions indicated lack of consensus as to trade's effectiveness for this purpose in practice.

11. Several policy measures capable of enhancing trade's contribution to economic development were cited such as appropriate macroeconomic policies, industrial policies adapted to countries' particular needs, dynamic internal markets, and investment in health, education and infrastructure. A trading system propitious to economic development also required increased developing country access to industrial countries' markets, as well as progressive upgrading of middle income developing countries' production structures to leave room for exports from the lesser developed countries, especially the LDCs. Regional integration could also be beneficial, especially for small countries.

12. Several features of greater integration through trade were illustrated by China's accession to the WTO. Given the rapid expansion of internal demand associated with China's economic growth, the accession was likely to increase the country's imports from the rest of the world, including those from other developing countries, and to stimulate flows of FDI, while also facilitating domestic market-oriented reform. The upgrading of China's exports towards more capital- and technology-intensive products already evident in statistical data was creating space for more labour-intensive imports from other developing countries.

13. Discussion of the rules of the trading system and of negotiating strategy in the new multilateral trade negotiations focused on both the WTO framework and on opportunities and risks in these negotiations. There was emphasis on the need for flexibility in the trading system's rules to accommodate the growing diversity of its membership. These rules were regarded by many as biased against developing countries' interests, and as contributing to unfavourable outcomes in trade negotiations. According to this line of argument, redressing such failings could require a standstill or slowdown in the process of integrating developing countries into the global trading system and should involve reform of WTO procedures and governance in areas such as dispute settlement and democratic functioning. Attention was also drawn to the tendency for agreements among Quad countries to become binding on all WTO members, a tendency also regarded as unfavourable to developing countries.

14. Other participants in the debate put greater emphasis on the opportunities for developing countries furnished by the negotiations, and the view was also expressed that too much flexibility regarding the application of WTO rules and obligation to different categories of country could jeopardize the progress of the negotiations. Among the opportunities for developing countries in negotiations, mention was made of the reduction of tariff peaks and elimination of tariff escalation and export subsidies in OECD countries, as well as improved access for natural persons under the GATS. There was also reference in this context to the desirability of efforts to exploit WTO processes as part of countries' development strategies and of the domestic policies adopted for their pursuit.

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[2] Summary presented by the President at the closing plenary of the Board and included in the Board's report to the General Assembly by decision of the Board at the same plenary.

15. In the debate on the weakening performance of the global economy, the view was expressed that it had highlighted the need for reforms to the global economic system. Here, attention was drawn to the way in which recent trends had again exposed the vulnerability of many developing countries to external shocks. Improving macroeconomic conditions and meeting development targets would require grater policy coherence and improved policy coordination. Seeking coherence through rapid across-the-board liberalization had not proved satisfactory and new, more comprehensive approaches were needed. Failures on this front would jeopardize the attainment of internationally agreed development goals. According to another view, fuller participation in international trade and investment was a proven formula for faster growth and poverty alleviation, suggesting the need for an increased pace of integration appropriately supported by international financial institutions.

C. Review of developments and issues in the post-Doha work programme of particular concern to developing countries[3]

(Agenda item 6)

16. This agenda item provided the opportunity for member States to address recent developments and issues in the post-Doha work programme of particular concern to developing countries. Member States and regional groups emphasized the need to give particular attention to the development dimensions in the post-Doha process. Some concerns were expressed regarding slow progress on issues on concern to developing countries. The need for technical cooperation and capacity building to support developing countries' participation in the Doha work programme was underlined. In this regard UNCTAD technical assistance activities had greatly assisted developing countries. UNCTAD and WTO were encouraged to cooperate closely in carrying out technical cooperation activities. It was expected that the Board's regular reviews of developments and issues in the post-Doha work programme, as provided for in the recommendation of the Commission on Trade on Goods and Services, and Commodities, as endorsed by the Board, would make a positive contribution to enhancing the development dimensions in the negotiations and thus to achieving a balance outcome.

D. Consideration of other relevant reports: Report on UNCTAD's assistance to the Palestinian people[4]

(Agenda item 7(b))

17. The **Coordinator of Assistance to the Palestinian people** introduced the secretariat's report (TD/B/49/9), which examined progress achieved in UNCTAD's technical assistance for the Palestinian people in the context of an assessment of developments affecting the Palestinian economy and the implementation of UNCTAD's operational activities. He highlighted the report's synoptic review of major developments in the economy, which painted a sombre picture of economic performance. He stressed that this situation underlined the urgent need for renewed development efforts to moderate the impact of the economic effects of the conflict and to strengthen the economy's resilience. This would require promoting dynamic synergies among rehabilitation, reconstruction and strategic development needs.

18. He emphasized the importance of rebuilding of the Palestinian Authority's institutional capacity, especially in view of the Palestinian Authority's renewed commitment to establishing a rule-based, market-driven economy, in harmony with national interests, global trends and strategic development potentials. To support the Palestinian Authority's development efforts, the UNCTAD secretariat had stepped up its technical assistance activities, while modifying ongoing projects as appropriate to address acute economic needs. Despite increasing logistical difficulties affecting the delivery of technical assistance, full professional staff resource allocation for this work programme was now available to enable UNCTAD to sustain recent progress. In accordance with its mandate, UNCTAD's assistance was helping to reinforce and

[3] Summary presented by the President at the closing plenary of the Board and included in the Board's report to the General Assembly by decision of the Board at the same plenary.

[4] Included in the Board's report to the General Assembly in accordance with General Assembly decision 47/445.

build Palestinian economic managerial capacities along with the transparent institutions and modern, open policies required for the future Palestinian economy.

19. He updated the Board on technical assistance activities now underway, which attested to the determination of Palestinian government and civil society counterparts to build a new society and develop a viable economy, despite all odds. He thanked donors for their support of UNCTAD's technical assistance activities to the Palestinian people and expressed appreciation for the support that all Members of the Board had continued to exhibit towards this work programme. In concluding, he appealed to existing donors and potential new ones to renew or initiate their contribution to UNCTAD technical assistance to the Palestinian people.

20. The representative of **Palestine** thanked the secretariat for the objective and comprehensive report about the economic aspects of the suffering of the Palestinian people as a result of Israel's occupation of the Palestinian territories and its deliberate destructive practices, which had led to a dangerous deterioration of all facets of Palestinian life. He praised UNCTAD for its efforts to provide technical assistance and studies aimed at linking relief to development and to help the Palestinian National Authority face the challenges to the Palestinian economy caused by the Israeli re-occupation of all of the Palestinian territories. He thanked donor countries for their continuous support to the Palestinian people and urged them to intensify this assistance, including offering the development aid necessary to save the Palestinian economy from complete collapse and lead it to the path of sustained development.

21. Despite his praise for the report and his appreciation of the UNCTAD secretariat's efforts, the report used certain terms that should be reconsidered and corrected owing to their divergence from the realities of the situation. In particular, he cited the reference to a "crisis in Israeli-Palestinian relations", whereas in fact a complete Israeli military occupation had been imposed on the Palestinian people and criminal practices were being perpetrated by the occupation forces in the context of an aggressive policy that had been condemned by the international community for many years. The reference to "the Israeli-Palestinian conflict" obscured the Israeli military aggression against the Palestinian people in the Palestinian territories, while the Palestinian people were resisting foreign domination with all available means, as enshrined in the UN Charter and UN resolutions. While these mistakes in the report might seem cosmetic, they were in reality profound and critical in their political context. Inaccurate use of terms could reinforce incorrect concepts, which in this case served aggression at the expense of truth. While these inaccuracies were unintentional, they should be corrected and avoided in future reports.

22. The comprehensive picture provided by the report left little to be added regarding the deterioration of economic conditions in the occupied Palestinian territories. UNCTAD's efforts to alleviate these tragic conditions by linking relief to development and through targeted technical assistance were well intentioned. However, these efforts could not prevail as long as the main cause of economic deterioration was not addressed, namely the Israeli occupation, which was a temporary phenomenon whose impact would recede once the occupation ended. In this context, he reviewed the range of Israeli measures which adversely affected the Palestinian economy.

23. Despite the full account of economic deterioration provided in the report, which fell within UNCTAD's mandate and competences, there were many other factors that might not appear to be linked to the economy but that in fact had a great economic impact. In particular, Palestinian human resources were being destroyed by the Israeli occupation forces through their use of almost all types of weapons against Palestinians, thus depriving the Palestinian people and their economy of their main asset.

24. In concluding, he reiterated his deep appreciation to the UNCTAD secretariat for its programme of assistance to the Palestinian people, who needed all types of assistance. Pending the elimination of the Israeli occupation of Palestine, the international community should continue to shoulder its responsibility to protect the Palestinian people. However, until that time, any vision of peace and security would be illusory and ill considered.

25. The representative of **Egypt**, speaking on behalf of the **Group of 77 and China**, said that the Palestinian economy continued to face dramatic challenges. Since October 2000, the economy had lost more than half of its annual gross domestic product, the unemployment rate had tripled to 29 per cent in March 2002, infrastructure losses had reached

more than US$305 million, 17 per cent of cultivated land had been bulldozed and half a million olive and fruit trees had been uprooted, while the benefits of the preferential trade arrangements extended to Palestinian exporters had effectively been nullified by the difficult market access conditions. Also, close to half of the Palestinian population was now living below the poverty line. Moreover, social services including education, hospitalization and emergency medical services had deteriorated severely, adding more misery to the life of Palestinians. This situation was described by Security Council resolution 1405 as a dire humanitarian situation facing the Palestinian civilian population. The practices of the Israeli occupying forces, including the destruction of infrastructure, collective punishment, and closure and withholding of tax revenues, must end, and a peace based on Security Council resolutions 242, 338, 1397 and on the Madrid principles should prevail.

26. UNCTAD, development agencies and the donor community retained their role as a cornerstone to enable the Palestinian Authority to reinforce its capacity, which had been seriously constrained by the practices of the occupying forces. She commended the activities undertaken by the Programme of Assistance to the Palestinian People despite the difficult field conditions. The various activities carried out in the four clusters of the Programme in the course of 2001/2002 were clear indicators of the clusters' value to the Palestinian Authority. These activities also attested to the commitment of the Palestinian Authority, as reflected by the local funds provided to finance many elements of UNCTAD's projects.

27. She expressed her appreciation for the extrabudgetary resources provided by the donor community and international organizations and urged them to extend the necessary resources to allow UNCTAD to continue implementing a number of activities that had been halted because of lack of funds. Specifically, she referred to phase 2 of ASYCUDA, advisory services related to transit trade and transport, and activities under UNCTAD's response to the Palestinian economic crisis in the areas of food security and commodity trade, trade logistics and facilitation, trade promotion and trade promotion. Such assistance was essential to support the Palestinian Authority's efforts to alleviate the suffering imposed by the current crisis, which was pushing the Palestinian economy further towards a status similar to that of the landlocked and least developed countries.

28. In the meantime, she urged the secretariat to make every effort possible to continue its programme in favour of the Palestinian people and to intensify its activities despite the limitations on available resources. In conclusion, she reiterated the support of the peoples of the Group of 77 and China for the legitimate struggle of the Palestinian people to achieve a comprehensive, just and lasting peace through the full implementation of all relevant UN resolutions recognizing the rights of all peoples and States, including Palestine, to enjoy peace, security and development.

29. The representative of **Denmark,** speaking on behalf of the **European Union and the countries seeking accession to the European Union (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, as well as Cyprus, Malta and Turkey**), expressed his gratitude for UNCTAD's contribution to economic development efforts in the areas under Palestinian authority. Regrettably, as the secretariat's report showed, the current circumstances rendered the achievement of sustainable development extremely difficult. Nonetheless, he still believed that the Palestinian economy could improve and that trade with the subregion could be developed. In this context, UNCTAD's assistance to build Palestinian capacity and institutions gained much importance.

30. Technical assistance could help little without peace and stability in the Middle East. The two sides must coexist and must engage in negotiations to achieve a durable peace where two states, Israel and an independent, viable and democratic Palestine, lived side by side within secure and recognized borders, on the basis of the principles established in Madrid and Oslo and in conformity with UN Security Council resolutions.

31. The representative of **Indonesia,** speaking on behalf of the **Asian Group and China,** expressed his appreciation for UNCTAD's continuous support to the Palestinian people, especially in these difficult times, and for the comprehensive and excellent analysis provided in the report. He stressed that the escalation and intensification of the crisis in the West Bank and Gaza and the systematic closures of the occupied territories had destroyed the major part of essential private and public infrastructure, deprived the Palestinian people of more than half of their economy, tripled the number of jobless and, above all, increased the level of poverty and vulnerability to unprecedented and extremely dangerous levels. As the

report stated, the situation in the Palestinian territories was a telling example of a complex humanitarian emergency. No doubt the continuous Israeli policy of closure, curfews, destruction of infrastructure and collective punishment would push the Palestinian economy further towards a path of de-development.

32. The international community should ensure the reversal and alleviation of these conditions, enable the Palestinian Authority to maintain its function and prepare for the inevitable establishment of the Palestinian state, and work relentlessly to find an equitable and peaceful solution to the crisis. Donor countries should increase their support to put a stop to the seemingly endless suffering of the Palestinian people. The international development agencies, including UNCTAD, should coordinate and step up their efforts to address the short-term emergency relief needs and the medium-term institutional capacity required for the future state of Palestine. In this context, he emphasized the importance of promoting dynamic synergies between emergency relief, rehabilitation, reconstruction and strategic development needs, as recommended by the report.

33. He commended the secretariat for achieving concrete progress in its various capacity-building technical assistance projects despite the extremely difficult field conditions, and urged their expansion to include all the areas of UNCTAD's competences. He was pleased to note that UNCTAD was examining the possibility of initiating technical assistance in new areas that had become more relevant as a result of the two-year crisis. He concluded by urging the donor community to increase its financial support to enable UNCTAD to expand its technical assistance programmes for to the Palestinian people. He also commended the Palestinian people for their ability to survive such devastation and continue on despite all adversity, and urged the international community to increase its support to the Palestinian people and to work together to achieve a just, comprehensive and lasting peace in the region.

34. The representative of **Morocco** noted that economic and social conditions in the Palestinian areas had deteriorated considerably since the second Intifada, which had triggered a blind repression by the Israeli forces. The infrastructure, already handicapped by decades of Israeli occupation, had been subject to systemic destruction, while the permanent siege of the Palestinian areas had had a dramatic impact on poverty and unemployment.

35. This disastrous and inhuman situation begged the international community's conscience to condemn this cycle of aggression that had paralysed the economy. The secretariat's report showed that the current situation had negatively affected the Palestinian Authority's institutional capacity and its ability to utilize development aid. The Palestinian Authority continued to experience irreversible damage to its human and administrative capacities, and the donor community's attention had been diverted from development objectives to catering for emergency needs generated by the unprecedented humanitarian crisis.

36. He commended the secretariat's technical assistance programme for the Palestinian people, which had gained greater importance in view of the current conditions. The Palestinian Authority was in dire need of UNCTAD's assistance in designing a global policy for rebuilding the economy. In concluding, he called on the donor community to maintain its support of this programme and, henceforth, enable the Palestinian people to achieve sustainable development.

37. The representative of **Israel** regretted that the secretariat report avoided the key questions, namely why UNCTAD had to prepare a report about the deterioration of the Palestinian economy over the past two years. The positive economic trend that had been achieved before the current wave of violence could have been maintained had the Palestinian Authority continued the political process and not decided to resort to continuous violence against Israel with an obscure political goal. The Palestinian Authority could have focused on the structural problems of the economy in order to avoid deterioration in the standard of living. He stressed that this wave of violence had hurt not just the Palestinian economy but also other economies in the region, especially the Israeli economy.

38. Israel had repeatedly tried to put the economic system back on track over the past two years, though the response had consistently been violent attacks on Israeli civilians and soldiers and terrorist atrocities. Israel had been trying to improve the economic situation of both Palestinians and Israelis in a context of violence and a persistent climate of fear, as recently described by the UN Committee on the Rights of the Child. The report placed responsibility at the doorstep of Israel and skirted round the responsibility of the Palestinian Authority for the economic mishaps and mismanagement

affecting the Palestinian economy. Though the report did hint at some of these issues in certain paragraphs, it avoided issues such as monopolies, corruption, lack of transparency, channeling of donor funds to organizations whose focus was terrorism and the absence of an enabling environment to support economic activity.

39. Israel had been willing to act together with the Palestinians to improve the Palestinian economy, including measures to open the Israeli market to Palestinian day labourers. However, these efforts had only produced acts of terror by those allowed entry to Israel ostensibly for employment reasons, creating a loss of human resources and mutual trust. He appealed for a joint call for an end to the violence and to the waste of human resources on both sides. Once the violence was ended and a political process was resumed, it would be necessary to prepare for resumption of progress in the Palestinian, Israeli and Arab economies. If UNCTAD wished to play a positive and significant role in the region, objective professional analysis should be the focus of its work.

40. The international community needed to continue to focus on an end to terrorism and violence and major reforms in the Palestinian Authority in the areas of security and economic transparency. He referred in this connection to the joint statement issued recently by the United States and Israel regarding the gradual return and scheduled transfer of all Palestinian Authority tax funds collected by Israel on the unequivocal condition that there would be full United States monitoring to ensure their use only for economic and civil activities. Once these reforms took place, negotiations could restart and cooperation again be explored. It was impossible to sustain economic development in a situation of continuous violence, which had to end before the parties could return to the negotiating table and to the path of economic development.

41. The representative of **the Islamic Republic of Iran** stressed that the long-lasting Israeli occupation of Palestine and the escalating crisis caused by this occupation had drained the economy of its most vital resources, bringing it to the brink of collapse. The quick review of some key macro-economic indicators provided by the report highlighted the vulnerability of the Palestinian people and the challenges facing them.

42. He emphasized UNCTAD's crucial role in responding to the Palestinian people's needs and establishing an enabling environment for stimulating private-sector growth, especially through technical assistance. He expressed his country's support of UNCTAD's proposed framework and activities in the areas of food security and commodity trade, trade logistics and facilitation, trade promotion, trade policy, preferential market access and investment promotion. He concluded by urging the donor community to support UNCTAD's programme of technical assistance to the Palestinian people, and to help it implement ongoing projects, particularly ASYCUDA, as well as follow-up and postponed activities.

43. The representative of the **League of Arab States** said that the data and information contained in UNCTAD's report were very alarming as they reflected an unprecedented degree of economic deterioration. It was very difficult to imagine the living conditions of a people who had lost, in less than two years, 40 per cent of their national income, more than 50 per cent of their gross domestic product, and numerous jobs, to the extent that 50 per cent of the labour force was currently unemployed. This situation was not the result of a disaster that could be mitigated by short-term measures, but rather of the repeated and continuous Israeli military aggression and the destruction it had caused to the physical and institutional infrastructure. This had reached all aspects of life, from water and electricity utilities to roads, houses, factories and public buildings. The protracted Israeli policy of internal and external closure of the Palestinian territories had almost completely prevented the movement of goods, commodities and raw material required for the production process. These practices had resulted in an economic disaster and had pushed more than 60 per cent of Palestinian households below the poverty line.

44. Despite the $3 billion the Palestinian economy had received from the donor community in the past few years, it was now on the verge of bankruptcy and complete collapse and facing a vicious cycle of interrelated obstacles to development. Much of the donated funds had been directed to building the infrastructure, which Israeli forces had recently destroyed, laying waste to the resources and efforts that the donor community had extended to the Palestinian people in the past years. The Israeli occupation was the sole reason for the present economic deterioration and the reason for the redirection of external aid from long-term economic development objectives towards the urgent basic needs of the Palestinian people.

45. He expressed his appreciation for UNCTAD's efforts to support the institutional capacity of the Palestinian Authority, especially in the areas of trade facilitation and promotion, trade in services, transport, investment, finance and competition. In concluding, he thanked the secretariat for the preparation of this report, whose findings were in line with those of other international agencies, such as the UN High Commissioner for Human Rights, the International Committee of the Red Cross, UNRWA and others. He also thanked the donor community for its continuous support to the Palestinian people.

46. The representative of **China** pointed out that the secretariat's programme of assistance to the Palestinian people was a major component of UNCTAD's mandate. The programme had achieved great success in promoting Palestinian trade and economic development, and had evolved from research and analysis work to an integrated programme of technical assistance activities that had succeeded in promoting the integration of the Palestinian economy into regional and international markets.

47. She expressed concern regarding the humanitarian disaster facing the Palestinian people and appealed to the donor community to increase its financial assistance to alleviate the Palestinians' suffering. She urged the international community to show concern for the Palestinians' efforts to ensure their social and economic independent rights. More Governments and concerned parties should work with UNCTAD to achieve social and economic development in the Palestinian areas. China was committed to assisting the Palestinian economy and putting an end to social suffering.

48. The representative of **Tunisia** thanked the secretariat for its efforts in support of the Palestinian people under extremely difficult economic conditions, which were the result of the protracted and repeated closure policy of the Israeli occupying forces in the Gaza Strip and the West Bank. The secretariat report reflected the degree of suffering of the Palestinian people, whereby the economy had lost more than half of its gross domestic product, unemployment had more than tripled, poverty had reached more than 60 per cent of Palestinian households and the economy's productive capacity had been depleted. These conditions had forced the Palestinian Authority to increase its dependence on donors' support to meet the emergency and relief needs imposed by the situation.

49. He thanked the donor community and urged them to increase their support to the Palestinian people, not only to meet emergency relief needs but also to provide the institutional support required for the attainment of long-term development objectives. He expressed his appreciation for UNCTAD's efforts in support of the Palestinian Authority and the progress achieved in a number of UNCTAD's programmes despite the difficult field conditions. He urged the secretariat to step up its efforts to help the Palestinian people overcome the present crisis and achieve their long-term economic goals.

50. The representative of **Jordan** expressed his country's deep concern over the worrisome situation that had befallen the Palestinian economy. The secretariat report was elaborate in explaining the reasons behind the widespread economic crisis and in warning against long-term consequences. As the report noted, the economy was trapped in a "cycle of de-development", which would ultimately lead to loss of confidence in the economy and would aggravate the political crisis. Economic prosperity was a pre-condition for achieving peace and stability.

51. The erosion of the Palestinian economy's productive capacity, the destruction of physical infrastructures, the difficulties involved in rebuilding the Palestinian Authority's institutional capacity, and the impossibility of reaping the benefits of donor assistance and responding to the Palestinian people's needs would all negatively affect the regional economy. The international community should therefore increase its support of the Palestinian people, who were living in a "complex humanitarian emergency". He concluded by expressing Jordan's gratitude to the secretariat and commended UNCTAD's perseverance and rigorous efforts to provide technical assistance to the Palestinian people despite the deteriorating security conditions in the field.

52. The representative of **Lebanon** said that the occupied Palestinian territories had continued to experience a severe economic crisis since September 2000 as a result of the practices of the Israeli occupying forces. The repeated destruction of public utilities and infrastructure boded more economic deterioration and intensification of the suffering of the Palestinian people. The progressively deteriorating economic and living conditions required the multiplication of donors'

support to the Palestinian people, now more than ever, not only to meet emergency relief and basic daily needs, but also to build the capacities required for achieving long-term developmental goals. She thanked the secretariat and the donor countries for their contribution and urged them to accelerate efforts to help the Palestinian people achieve their legitimate aspirations.

53. The representative of **Pakistan** commended the secretariat for its report. The report clearly showed that the Israeli policies of systematic destruction of Palestinian infrastructure and private property had crippled the Palestinian economy. These policies had also had the effect of economic strangulation of the Palestinian people. It was noteworthy that UNCTAD had been extending technical assistance to the Palestinian people even under the very difficult prevailing conditions. UNCTAD deserved appreciation for the positive role it had been playing, and he encouraged it to continue its technical assistance to the Palestinian people, which was vital for strengthening Palestinian economic institutions and infrastructure. He concluded by reiterating his country's support to the Palestinian people in their legitimate struggle. He also hoped that the international community would increase its financial support and find a peaceful and lasting solution to the Palestinian issue in accordance with the relevant UN resolutions.

54. The representative of the **United States of America** thanked the secretariat for its efforts on behalf of the Palestinian people. The United States supported measures to improve the lives of Palestinians and promote normal economic activity in the Palestinian areas. The United States was among the most significant sources of assistance to meet Palestinian humanitarian needs, including through UNRWA. In that light, he valued the technical assistance work of UNCTAD in favour of the Palestinians.

55. He had hoped that the discussion of the secretariat's report would avoid one-sided accusations and inappropriate politicization of this matter, but regrettably that had not always been the case. He reiterated his country's belief that peace and the absence of conflict were preconditions for development. The United States continued to be actively engaged in efforts to advance a comprehensive Palestinian reform programme, restore security cooperation, ease the Palestinian humanitarian situation and work toward the resumption of dialogue between the parties. He concluded by urging both sides to take immediate steps to ease the situation and to refrain from words and actions that inflamed tensions.

56. The representative of **Algeria** said that his delegation found it difficult to focus its intervention on the secretariat's report in view of the daily destruction and collective killings by the Israeli war machine, which had not even spared nature. While olive trees were being uprooted simply because they belonged to the Palestinians or because they symbolized peace, Palestinian economic establishments and physical and institutional infrastructures were consistently being destroyed. The appalling massacres made it difficult to deal with this item in a normal fashion, and he requested the international community to end this unprecedented aggression against a people that simply wished to exercise its right to live in dignity on its land.

57. While his country appreciated UNCTAD's efforts to support the Palestinians within the limits allowed by Israel, these were not enough and could not substitute for the role of the UN, which had been marginalized, especially with regard to the cause of the Palestinian people. Israeli tanks and bulldozers were consistently demolishing international development projects, turning them into mass graves for Palestinians. While he commended the donor community for its contribution to the establishment of the foundations of the Palestinian economy, he drew the attention of all concerned countries to the need to intervene to put an end to the agony of the Palestinian people. If the situation continued at this pace, it would result in a new holocaust. He referred to the heavy human price and the elimination of millions of people that the world and Europe in particular had suffered because of the disregard by some countries of the rise of Nazism and fascism in the 1930s.

58. He emphasized that providing millions of dollars in funds to meet the dire needs of the Palestinian people should not be an excuse for relieving the conscience of the international community from its duty to support the victims and to achieve the rights of a people that had resisted aggression and occupation. He concluded by recalling the option for a just and comprehensive peace proposed by the Arab countries at their most recent summit in Beirut, whereas Israel had chosen the option of war and elimination of the Palestinians and their National Authority.

59. The representative of **Israel**, in exercise of his right of reply, said that he would have preferred not to engage in further debate on the subject. However, he could not refrain when issues sensitive and dear to Israel and the Jewish people were trampled upon once again by a certain delegation. He wished to caution the concerned representative that whatever historical allusions he chose to make, he should stay away from comparing the tragic events of the holocaust, in which six million Jews had been slaughtered, with current political differences among Israelis, Arabs and Palestinians. He reiterated his demand for a certain respect for values and memories cherished by the Israeli and Jewish people. He reminded the concerned delegation that in certain other areas of the world, massacres and casualties in far greater numbers were occurring, but that the countries concerned chose to block the media from showing them.

60. Israel had suggested the most recent peace overture at Camp David in July 2000, and the Palestinian Authority had declined to take Israel's outstretched hand, while the United States had later on made a bridging proposal that been accepted by Israel. If anyone had rejected recent overtures for peace, it was not Israel. Israel was willing to recommence negotiations once the violence ended, but he had yet to hear in the conference hall a clear and unequivocal call to end violence, which affected both sides.

61. The representative of **Egypt**, in exercise of his right of reply, stated that he too would have preferred not to intervene again in the debate, but that he was obliged to do so in light of the preceding statement. The presentation of a proposal for peace in any region by one party or two countries does not mean that such a proposal should be the only solution or the just solution for peace in said region. There are recognized international resolutions adopted on this issue, and it was these which should be the basis for a solution and which should be implemented. Since the discussion had moved to the realm of different proposals, he recalled that the representative of Algeria had referred to the peace proposal made by the League of Arab States, at their last Summit Meeting in Beirut, built on the UN relevant decisions.

62. The representative of **Palestine**, in exercise of his right of reply, stated that he had refrained from replying to the earlier statement by the representative of Israel, which contained many errors that deserved a response. However, after the representative of Israel had again taken the floor and had resorted to fallacies and attempts at confusing issues, it was necessary for Palestine to make some observations. He wondered why it was only Israel that asserted that yesterday's victim had the right to become today's torturer, the role that Israel acted out on a daily basis against the Palestinian people. As for the reference by the representative of Israel to the holocaust, he did not wish to engage in a debate about the truth or the number of victims of the holocaust. However, accepting that there had been a victim of the holocaust, by what right did Israel allow itself to become the torturer of the Palestinian people today? He believed that the international community had had enough of that nonsense.

63. The representative of Israel had today again talked about peace proposals. But what peace did Israel envisage while it occupied others' land by force, something which international law rejected in principle? The representative of Israel could not talk about peace while his occupation forces every day killed Palestinian children, destroyed Palestinian houses and lands and committed massacres, as had happened recently in Gaza, Khan Yunis and Jenin, and before that at the hands of Sharon himself in Sabra and Chatila, Kfar Qassem and Qibya. These were all massacres, which the UN had affirmed were a form of genocide. He could not expect people to believe Israel's words about peace when its occupation forces were committing massacres on a daily basis.

64. The representative of **Israel**, again in exercise of his right of reply, stated that, while he could have responded to the many falsehoods and accusations that had been leveled against Israel, there was one point on which he could not remain silent – namely, that in this hall, after five PrepComs for Durban held in the Palais des Nations, and after the infamous Durban meeting in which the language of hatred had been used, the Palestinian observer referred to whether the holocaust had occurred, or whether the number of victims was accurate. It was unacceptable that holocaust denial could take place in a UN forum, whatever the differences of opinion regarding current difficulties in the Middle East.

III. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

65. The forty-ninth session of the Trade and Development Board was opened on 7 October 2002 by Mr. Nathan Irumba (Uganda), the outgoing acting President of the Board.

B. Election of officers

(Agenda item 1 (a))

66. At its 930th (opening) plenary meeting, on 7 October 2002, the Board elected by acclamation Mr. Dimiter Tzantchev (Bulgaria) as President of the Board for its forty-ninth session.

67. Also at its opening plenary meeting, the Board completed the election of officers to serve on the Bureau of the Board at its forty-ninth session by electing 10 Vice-Presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

President:	Mr. Dimiter Tzantchev	(Bulgaria)
Vice-Presidents:	Mr. Iouri Afanassiev	(Russian Federation)
	Mr. Boniface Chidyausiku	(Zimbabwe)
	Mr. Luiz Felipe de Seixas Corrêa	(Brazil)
	Mr. Nathan Irumba	(Uganda)
	Mr. Toshiyuki Iwado	(Japan)
	Mr. Douglas M. Griffiths	(United States of America)
	Mr. François Leger	(France)
	Mr. Samuel T. Ramel	(Philippines
	Mr. Lester Mejia Solis	(Nicaragua)
	Mr. Eberhard Von Schubert	(Germany)
Rapporteur:	Mr. Mehdi Fakheri	(Islamic Republic of Iran)

68. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairmen of the Sessional Committees, would be fully associated with the work of the Bureau.

C. Adoption of the agenda and organization of the work of the session

(Agenda item 1 (b))

69. At its opening meeting, the Board adopted the provisional agenda for the session contained in TD/B/49/1. (For the agenda as adopted, see annex I below).

70. At the same meeting, and in accordance with the organization of work for the session in TD/B/49/1, the Board established two sessional committees to consider and report on items on its agenda as follows:

Sessional Committee I:

Item 4: Progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010: (a) Implementation of UNCTAD-wide activities in favour of LDCs; (b) The least developed country status: Effective benefits and the question of graduation

Sessional Committee II:

Item 5: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Structural adjustment and poverty reduction in Africa

71. The following officers were elected to serve on the Bureau of Sessional Committee I:

Chairperson: Mr. S. Lazzarotto (Switzerland)

Vice-Chairperson-*cum*-Rapporteur: Ms. W. Tadesse (Ethiopia)

72. The following officers were elected to serve on the Bureau of Sessional Committee II:

Chairperson: Mr. F. Samb (Senegal)

Vice-Chairperson-*cum*-Rapporteur: Mr. F. Leger (France)

D. Membership of UNCTAD and of the Trade and Development Board

73. At the 930th plenary meeting of the Board, on 7 October 2002, Timor-Leste became a member of UNCTAD, bringing its membership to 192.

74. At the same meeting, Mozambique became a member of the Board, bringing its membership to 148.

E. Adoption of the report on credentials

(Agenda item 1(c))

75. At its 936th plenary meeting, on 18 October 2002, the Board adopted the report of the Bureau on the credentials of representatives attending the forty-ninth session (TD/B/49/13), thereby accepting the credentials.

F. Provisional agenda for the fiftieth session of the Board

(Agenda item 1 (d))

76. At the same meeting, the Board decided that the Secretary-General of UNCTAD would draw up a draft provisional agenda for the fiftieth session of the Board at a later stage and submit it to the consultations of the President.

G. Administrative and financial implications of the actions of the Board

(Agenda item 10 (b))

77. At the same meeting, the Board was informed that there were no financial implications arising from the work of its forty-ninth session.

H. Adoption of the report

(Agenda item 12)

78. At its 936th plenary meeting, on 18 October 2002, the Board took note of the reports of Sessional Committee I (TD/B/49/SC.1/L.1 and Add.1) and Sessional Committee II 9TD/B/49/SC.2/L.1 and Add.1 and 2) and decided to incorporate them in the final report of the Board on its forty-ninth session.

79. At the same meeting, the Board adopted the draft report on its forty-ninth session (TD/B/49/L.1 and Add.1-4), subject to any amendments that delegations might wish to make to the summaries of their statements. The Board further authorized the Rapporteur to complete the final report as appropriate and, under the authority of the President, to prepare the report of the Trade and Development Board to the General Assembly.

Annex I

AGENDA FOR THE FORTY-NINTH SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. Procedural matters:
   Election of officers
   Adoption of the agenda and organization of the work of the session
   Adoption of the report on credentials
   Provisional agenda for the fiftieth session of the Board

2. High-level segment: How can the post-Doha process work best for development?[1]

3. Interdependence and global economic issues from a trade and development perspective: Developing countries in world trade

4. Progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010:
   (a) Implementation of UNCTAD-wide activities in favour of LDCs
   (b) The least developed country status: Effective benefits and the question of graduation

5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Structural adjustment and poverty reduction in Africa

6. Review of developments and issues in the post-Doha work programme of particular concern to developing countries

7. Technical cooperation activities:
   (a) Review of technical cooperation activities of UNCTAD
   (b) Consideration of other relevant reports: Report on UNCTAD's assistance to the Palestinian people

8. Other matters in the field of trade and development:

   Progressive development of the law of international trade: thirty-fifth annual report of the United Nations Commission on International Trade Law

9. Follow-up to decisions taken by the Board

10. Institutional, organizational, administrative and related matters:
    (a) Arrangements for regular sessions of the Board
    (b) Administrative and financial implications of the actions of the Board

11. Other business

12. Adoption of the report.

[1] The high-level segment this year will deal with an issue relating to agenda item 6.